

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

**Ref. Docket Nos. 152, 441, 592, 655,  
679, 686, & 891**

**AD HOC GROUP OF FIRST LIEN LENDERS' STATEMENT IN SUPPORT OF  
APPROVAL OF THE DEBTORS' PROPOSED DISCLOSURE STATEMENT**

The Ad Hoc Group of First Lien Lenders (the “First Lien Group”), by and through its undersigned counsel, hereby files this statement, joining the *Debtors’ Omnibus Reply in Support of Debtors’ Motion for an Order (I) Approving the Disclosure Statement; (II) Approving Solicitation and Voting Procedures, Including (A) Fixing the Voting Record Date, (B) Approving the Solicitation Packages and Procedures for Distribution, (C) Approving the Form of the Ballots*

---

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

*and Solicitation Materials and Establishing Procedures for Voting, and (D) Approving Procedures for Vote Tabulation; (III) Scheduling a Confirmation Hearing and Establishing Notice and Objection Procedures; and (IV) Granting Related Relief* [Docket No. 891] (the “Reply”),<sup>2</sup> and response to the Objections filed by certain parties, and respectfully states as follows:

1. The Ad Hoc Group of First Lien Lenders (the “First Lien Group”) respectfully supports approval of the *Disclosure Statement for the Second Amended Joint Chapter 11 Plan of Franchise Group, Inc. and Its Affiliated Debtors* (as may be amended from time to time, the “Disclosure Statement”) and incorporates the arguments set forth in the Debtors’ Reply as if fully set forth herein.

2. Nothing contained herein shall constitute a waiver of any rights or remedies of the First Lien Group, including, without limitation, the right to: (i) amend, modify, or supplement this statement; or (ii) raise any other additional arguments at a later date, including at the Disclosure Statement hearing.

WHEREFORE the First Lien Group respectfully requests that this Court approve the Disclosure Statement, overrule all objections thereto, and grant such other and further relief as the Court finds just and appropriate.

*[Remainder of Page Intentionally Left Blank]*

---

<sup>2</sup> Capitalized terms used in this statement and not defined herein shall have the meanings ascribed to such terms in the Reply.

Dated: February 3, 2025  
Wilmington, Delaware

Respectfully submitted,

**LANDIS RATH & COBB LLP**

/s/ Matthew B. McGuire

Adam G. Landis (No. 3407)  
Matthew B. McGuire (No. 4366)  
Elizabeth A. Rogers (No. 7335)  
919 Market Street, Suite 1800  
Wilmington, Delaware 19801  
Telephone: (302) 467-4400  
Facsimile: (302) 467-4450  
Email: landis@lrclaw.com  
mcguire@lrclaw.com  
erogers@lrclaw.com

-and-

**PAUL HASTINGS LLP**

Jayme T. Goldstein (admitted *pro hac vice*)  
Daniel A. Fliman (admitted *pro hac vice*)  
Jeremy D. Evans (admitted *pro hac vice*)  
Isaac S. Sasson (admitted *pro hac vice*)  
200 Park Avenue  
New York, New York 10166  
Telephone: (212) 318-6000  
Facsimile: (212) 319-4090  
Email: jaymegoldstein@paulhastings.com  
danfliman@paulhastings.com  
jeremyevans@paulhastings.com  
isaacsasson@paulhastings.com

Nicholas A. Bassett (admitted *pro hac vice*)  
2050 M Street NW  
Washington, DC 20036  
Telephone: (202) 551-1700  
Facsimile: (202) 551-1705  
Email: nicholasbassett@paulhastings.com

*Counsel to the Ad Hoc Group of First Lien  
Lenders*